

EXHIBIT G

E-FILED ON MAY 2, 2006

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**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

21 In re:
 22 USA COMMERCIAL MORTGAGE COMPANY,
 23 Debtor.

Case Nos. BK-S-06-10725-lbr

Chapter 11

**SUPPLEMENTAL DECLARATION OF
 THOMAS J. ALLISON IN SUPPORT OF
 DEBTORS' MOTIONS**

Hearing Date: May 3, 2006
 Hearing Time: 9:30 a.m.

24 I, Thomas J. Allison, hereby declare, verify and state as follows:

25 1. I make this Declaration as supplemental support for various motions of USA
 26 Commercial Mortgage Company ("USACM") and its four affiliates who filed bankruptcy
 27 petitions in this Court on April 13, 2006 (collectively, the "Debtors"), including the motion
 28 seeking approval of the proposed cash management procedures and limited use of cash

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1 (the "Motion"). My Declaration is based upon personal knowledge and the facts set forth
2 herein.

3 THE SERVICED LOANS

4 2. It appears that as of April 13, 2006 (the "Petition Date"), USACM was
5 acting as the loan servicer for 115 separate loans (the "Serviced Loans") having a
6 combined outstanding loan balance of approximately \$962 million. Attached hereto as
7 Exhibit A is spreadsheet created under my direction by the Mesirow team providing
8 preliminary information for each of the Serviced Loans, including the loan name, whether
9 the loan is performing or non-performing, number of investors, origination date,
10 outstanding balance, unpaid interest, and the percentage of the loan held by each of the two
11 "Funds" (as defined below), by USACM, and by other "Loan Investors" (as defined
12 below).

13 3. I have directed that the Mesirow team review the loan files for each of the
14 Serviced Loans. Based on that review, it appears that each loan is secured by a trust deed
15 on commercial real estate, except for two loans that may have been made on an unsecured
16 basis and one loan for which the security interest may not have been properly perfected.
17 The loan files indicate that one of approximately 93 discrete commercial real estate
18 projects/developments serves as collateral for each the Serviced Loans that is secured (in
19 some instances more than one loan is secured by the same real estate). USACM intends to
20 seek authority to engage an outside appraisal firm to evaluate all of the real estate
21 collateral securing the Serviced Loans.

22 4. It appears that as of the Petition Date approximately 62 of the Serviced
23 Loans were delinquent in the payment of interest or otherwise could be considered non-
24 performing (the "Nonperforming Loans"). The Nonperforming Loans represent 54%
25 percent in number, and 72% percent in outstanding loan balance, of the Serviced Loans.

26 5. There are approximately 3,600 investors (the "Loan Investors") who names
27 appear as a "Lender" in the documents for one or more of the Serviced Loans. Among the
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1 Loan Investors are two of the Debtors in these related bankruptcy cases, USA Capital First
2 Trust Deed Fund, LLC ("Capital First") and USA Capital Diversified Trust Deed Fund,
3 LLC ("Diversified") (collectively, the "Funds").

4 6. Prior to April 2006, USACM regularly made interest payments to Loan
5 Investors each month regardless of whether the particular loans relating to each Loan
6 Investor were performing or nonperforming. For example, during the first three months of
7 2006, USACM collected on average approximately \$5.3 million per month in interest
8 payments on the Serviced Loans but paid out on average approximately \$9.7 million per
9 month to the Loan Investors. In order to make these interest payments, USACM at times
10 deferred the collection of its service fee.

11 7. More than 60% of the Loan Investors invested in more than one of the
12 Serviced Loans. Further, although Mesirow has not completed its investor-by-investor
13 analysis of the loans in which each investor is listed as a "Lender" in a loan agreement, it
14 appears likely that for a substantial portion of the Loan Investors who invested only in a
15 single loan, that loan may be a Nonperforming Loan. The practical result of these facts is
16 that a large portion of the Loan Investors received monthly payments from USACM that
17 they were not entitled to receive (because they were invested, at least in part, in one or
18 more Nonperforming Loans), and thus such investors owe a debt to USACM for the
19 amounts overpaid to them.

20 THE FUNDS

21 8. Capital First has an interest as a Loan Investor in 53 of the Serviced Loans --
22 in 45 loans it owns only a fractional interest along with other Loan Investors, and in 8
23 loans it is the sole investor. In other words, 90% in number of the Serviced Loans in
24 which Capital First has an interest are loans in which other Loan Investors also have an
25 interest. Further, of the 53 total loans in which Capital First has an interest, 29 (55% in
26 number) are Nonperforming Loans.

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9. Diversified has an interest as a Loan Investor in 23 of the Serviced Loans -- in 16 loans it owns only a fractional interest along with other Loan Investors, and in 7 loans it is the sole investor. In other words, 70% in number of the Serviced Loans in which Capital First has an interest are loans in which other Loan Investors also have an interest. Further, of the 23 total loans, 20 (87% in number) are Nonperforming Loans.

10. The extent of the nonperforming loan problem is substantially the same for the Funds in their capacity as Loan Investors as it is for other Loan Investors. Because most of the Nonperforming Loans have one or both of the Funds as investors along with other Loan Investors, the administrative and servicing activities, appraisals, collection activities and foreclosure proceedings will benefit both the Funds and the other Loan Investors.

11. All of the Funds' loans are serviced by USACM and are part of the Serviced Loans, as noted above. No distinctions were made in how monthly payments were remitted to the Funds (for further distribution to their members) versus remittances to other Loan Investors. Each of the Funds is and was treated as a single Loan Investor and the monthly payments were made to it as if it were a single Loan Investor.

12. Capital First has approximately 1,300 members owning membership interests in that LLC entity, and Diversified has approximately 1,900 members owning membership interests in that LLC entity (collectively, the "Fund Members"). Mesirow has not yet completed its analysis of the extent to which particular Fund Members may have membership interests in both of the Funds, nor the extent to which particular Fund Members may also be Loan Investors, but it appears that there may be substantial overlap.

CRUCIAL WORK COMMENCED AND NEEDED DURING 90-DAY PERIOD

13. As set forth in the Motion, there are certain critical tasks that Mesirow, with assistance from USACM's personnel and attorneys, must accomplish during the first 90 days of the Debtors' bankruptcy cases in order to analyze and safeguard the investments of

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1 all Loan Investors and Fund Members. Such tasks include, but are not limited to, those
2 discussed below.

3 14. Mesirow is engaging in a loan-by-loan credit and collateral evaluation,
4 arranging for appropriate appraisals and checks on collateral, and commencing collection
5 activities on Nonperforming Loans and determining the most appropriate way to bring
6 each loan to a performing status. If foreclosures are necessary, USACM will commence
7 such actions as it deems necessary as authorized in the Loan Servicing Agreement that
8 USACM obtained from each of the Loan Investors at the time each investor first invested
9 through USACM. Most of the delinquent loans received little or no collection efforts prior
10 to the Petition Date, and USACM's new management intends to demonstrate to these
11 borrowers that such delinquency will not be tolerated and that appropriate collection and
12 foreclosure activities and other remedies, including collection on guarantees, will be
13 pursued.

14 15. Mesirow is preparing a ledger for each loan as requested by the SEC and the
15 Nevada Mortgage Lending Division. These ledgers will allow Loan Investors to determine
16 the status of each loan in their portfolios.

17 16. Mesirow is preparing an account reconciliation for each Loan Investor and
18 for each Fund Member (to the extent there are Fund Members who are not also Loan
19 Investors). These reconciliations will indicate amounts due to the Loan Investors on
20 account of each loan in their portfolios, as well as amounts that have been overpaid on
21 Nonperforming Loans. Principal payments received by USACM but not remitted will also
22 be indicated. The reconciliations for the Fund Members will indicate the positions of the
23 respective Funds with regard to each loan in their portfolios, as well as the Fund Members'
24 percentage ownership interests in the Funds.

25 17. Mesirow is instituting appropriate internal financial and accounting controls
26 and loan servicing audit trails so that the problems that resulted in the Debtors' bankruptcy
27 filings will not recur.
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1 18. Mesirow is attempting to trace all intercompany transactions so that any
2 dealings with insiders or affiliates are publicly disclosed and investors will have
3 knowledge of such dealings to inform their decisions respecting their investments.
4 Mesirow will follow up to enforce and collect any intercompany, insider, or affiliate debts
5 owed the Debtors.

6 19. Each of these activities is necessary and vital to each Loan Investor and Fund
7 Members. Because only in rare cases does any one investor hold more than a small
8 fractional share of any particular loan, the costs to any one Loan Investor of collecting
9 payments from the borrowers on Nonperforming Loans and otherwise monitoring and
10 enforcing the Lenders' rights under the loan agreements would be prohibitive, and
11 borrowers are not likely to cooperate with such fractionalized collection efforts in any
12 event.

13 20. There is a significant intercompany receivable owed to USACM (and
14 possibly to other Debtors) by USA Investment Partners, LLC ("IP"), which is a non-debtor
15 entity related to USACM. It appears that the amount of the receivable exceeds \$58
16 million, and that this obligation owed by IP to the Debtors is unsecured and was not
17 formally documented. At my direction, USACM's bankruptcy counsel has prepared
18 documents intended to properly document and secure this obligation of IP, and I believe I
19 am close to obtaining IP's agreement to execute these documents for the benefit of the
20 Debtors, the Loan Investors, and the Fund Members.

21 21. During the first two weeks of the case, Mesirow has initiated measures for
22 collecting unpaid interest on the Nonperforming Loans. Meetings have been held with
23 four borrowers regarding the payment of approximately \$13 million of past-due interest,
24 and \$2.1 million in past-due interest has been collected since the Petition Date. In
25 addition, loan servicing procedures have been established and implemented with the
26 management of USACM. These procedures allow for the identification and pursuit of
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1 delinquent loans. These efforts benefit the Funds and other Loan Investors due to their
 2 investment in Nonperforming Loans.

3 4 COSTS OF ESSENTIAL ACTIVITIES / REVISED BUDGET

5 22. The Revised Budget, a copy of which is attached hereto as Exhibit B, has
 6 been carefully constructed to allow USACM to provide the limited services necessary in
 7 administering the Debtors' bankruptcy estates, with a particular focus on servicing the
 8 loans to preserve or increase the value of the underlying collateral and on reconciling the
 9 individual accounts of the Loan Investors and Fund Members – all for the benefit of the
 10 investors and the Debtors. Mesirow and Debtors' counsel are undertaking a monumental
 11 effort to obtain and present the correct loan and investor information to the parties in
 12 interest and to maximize the value of the Serviced Loans and underlying collateral, in
 13 order to maximize the return that ultimately will be made to investors and creditors
 14 according to their respective legal and/or equitable entitlements.

15 23. While USACM's brokers and principal insiders have been terminated,
 16 USACM's accounting department, IT department and loan servicing department are
 17 needed in order to obtain the necessary information from the systems to prepare the Loan
 18 Ledgers, the Investor Statements, and loan and collection activity histories to date. Payroll
 19 is estimated to be \$85,000 twice a month.

20 24. Operating costs include the electricity, rent, office supplies and other costs to
 21 keep the USACM offices open during this period for the benefit of all of the Debtors, Loan
 22 Investors, and Fund Members.

23 25. Other budgeted costs include the costs of bankruptcy administration, such as
 24 for a noticing agent, for bankruptcy counsel and professionals and some costs of official
 25 committees that may be appointed in the Debtors' cases.

26 26. The Debtors intend to pursue their motion for joint administration or for at
 27 least joint noticing to reduce the unnecessary and duplicative costs of separate
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1 administration. For example, a recent noticing required that packages of information,
2 including a Notice of Commencement of the Cases (including notice of the May 17, 2006
3 meeting of creditors) and notices of hearings set for May 3, 2006 and May 18, 2006, were
4 mailed to approximately 8,000 Loan Investors, Fund Members, creditors, and other parties
5 in interest. As for the notices, because separate notices of hearing were required to be filed
6 in each of the 5 cases of the Debtors, 5 separate notices of hearing that were identical
7 except for the case caption were mailed to each of the approximately 8,000 recipients.
8 The mailing by BMC was estimated to cost \$48,000, but if duplicate notices could have
9 been eliminated, the cost for the noticing would have been closer to \$20,000.

10 27. Because of the substantial overlap among the Loan Investors and Fund
11 Members, the common nonperforming loan problems of the Funds and the other Loan
12 Investors, and the common informational and accounting needs of the Loan Investors and
13 Fund Members, I believe it would be unnecessary and duplicative to have separate official
14 committees for USACM and the Funds. Further, based on my examination of the financial
15 status of the Debtors, while recognizing that this is in the purview of the U.S. Trustee, I
16 believe that the expense of three or more separate committees would make it impossible
17 for the Debtors to reorganize or even to realize the maximize the value of the Serviced
18 Loans, most of which are held jointly by Loan Investors, including the Funds. The
19 Revised Budget does not include expenses for any more than one committee with
20 appropriate professionals. In the event that more than one committee is appointed, the
21 Revised Budget will need to be increased.

22 28. Attached hereto as Exhibit C is a copy of an executed Loan Servicing
23 Agreement ("LSA") that is typical of the LSAs entered into by USACM and each of the
24 Loan Investors. The "annual loan servicing fee," according to paragraph 5 of the attached
25 LSA, is not to exceed "three percent (3%) per annum of the maximum principal amount of
26 each of the Loans." I understand that at some point in the past USACM's standard form of
27 LSA included a nearly identical provision except that the annual loan servicing fee was not
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1 to exceed 1% of each loan, and that USACM's standard form of LSA was changed in 2004
2 to increase the percentage from 1% to 3%. The Revised Budget only includes the annual
3 loan servicing fees at the 1% per annum level even though USACM will be entitled to, and
4 will collect, the higher percentage servicing fee where contractually allowed.

5 29. In addition to servicing fees, USACM is entitled to collect and keep late fees,
6 default interest, origination fees, deferred origination fees, extension fees, exit fees, past
7 uncollected servicing fees, and out-of-pocket costs and expenses incurred, including
8 attorney's fees, trustee's fees and foreclosure costs pursuant to the LSA and the loan
9 origination agreements. Expected origination fees for loans originated prior to the
10 bankruptcy filing, deferred origination fees, extension fees and exit fees have been
11 included in the Revised Budget. The Revised Budget does not include past uncollected
12 servicing fees, which are still in the process of being determined, or any out-of-pocket
13 costs and expenses incurred, which USACM may seek to collect at a later time.

14 30. In addition to the fees allowed USACM under the Loan Servicing
15 Agreements with investors, USA Capital Realty Advisors, LLC ("USACRA") is entitled to
16 be paid a monthly management fee pursuant to the Second Amended and Restated
17 Operating Agreement of USA Capital First Trust Deed Fund, LLC (the "First Trust Deed
18 Agreement") and the Operating Agreement of USA Capital Diversified Trust Deed Fund,
19 LLC (the "Diversified Trust Deed Agreement"). This fee amounts to an annual fee of 1%
20 of the funds managed under the Diversified Trust Deed Agreement, and an annual fee of
21 1.5% of the funds managed under the First Trust Deed Agreement. Management fees
22 payable from cash on hand at the Funds on the petition date is included in the Revised
23 Budget.
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25 31. The expenditures included in the Revised Budget do not exceed the
26 contractual fees that the Debtors are entitled to collect and expect to collect within the
27 budgeted period, as more fully described herein and in the Revised Budget.
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POTENTIAL CONSEQUENCES IF THE MOTION IS NOT APPROVED

32. USACM cannot operate on the funds available in the current DIP Operating Account (which is separate from the Collection Account). USACM needs access to funds which are currently held in the Collection Account or are to be paid into the Collection Account by borrowers to the extent of the servicing fees and other contractual costs and fees to which it is entitled in order to operate and administer its estate. The current funds in the DIP Operating Account, which account has not received any funds from the Collection Account since the bankruptcy filing, are sufficient to fund only this week's payroll and expenses. Without USACM's accounting, IT and loan servicing staff, it will not be possible to obtain sufficient information regarding the loans and investor accounts, to prepare the Ledgers and Account Reconciliations, to collect the past due interest, or to determine what steps have been and need to be taken to collect the Nonperforming Loans.

33. If the Revised Budget is not approved, the professionals necessary to guide the Debtors through these complex proceedings, to satisfy the informational requirements of the Court, the SEC and the Nevada Mortgage Lending Division, and to enforce the collection of the Nonperforming Loans to return the maximum amounts of interest and principal back to the investors in due course will not be able to continue working, and all of these efforts will come to a halt. The delinquent borrowers will no doubt be less willing to bring their loans current if there is no oversight of these loans.

34. Apart from the enormous practical difficulties, I believe that I may not be allowed under the USACM form loan agreement, which was used for many or most of the Serviced Loans and which recognizes USACM as the loan servicer, or under the governing Nevada statute, to allow an individual Loan Investor holding only small fractionalized interest in a Serviced Loan to attempt to collect directly from the borrower the fractional share of any loan payments owing. Even if this could be allowed, it would be inefficient and costly to Loan Investors as a whole. I believe the most cost-effective and efficient

1 way to collect on these loans is to allow USACM to collect on these loans for the benefit
2 of all Loan Investors in the loan as provided in and agreed to in the Loan Servicing
3 Agreements.

4 Executed this ^{2nd} day of May, 2006.

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7 Thomas J. Allison
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Exhibit A

Exhibit A

<u>Performance Evaluation</u> <u>(4-27-06)*</u>	<u>Loan Name</u>	<u>No of Investors</u>	<u>Origination Date</u>	<u>Outstanding Loan Amount</u>	<u>Unpaid Interest as of 3/31/2006 less April collections</u>	<u>DTF</u>	<u>CFT</u>	<u>CM</u>	<u>Total Held by Investors</u>
Performing	3685 San Fernando Road Partners	83	8/2/05	7,350,000	-		1.12%		98.54%
Performing	5055 Collwood, LLC	33	2/24/06	1,500,000					100.00%
Performing	5252 Orange, LLC	66	12/22/05	3,800,000					100.00%
Performing	60th Street Venture, LLC	49	12/22/05	3,700,000					100.00%
Non-Performing	6425 Gess, LTD	286	4/14/05	26,500,000	1,946,126		2.63%		97.37%
Non-Performing	Amesbury/Hatiers Point	393	12/16/02	18,552,955	1,837,338	15.18%	1.72%	0.25%	82.31%
Non-Performing	Anchor B, LLC	50	5/31/05	5,835,422	578,273		33.36%		66.64%
Non-Performing	Ashby Financial \$7,200,000	73	5/3/04	7,200,000	1,665,600	2.08%			97.92%
Non-Performing	B & J Investments ¹	1	9/29/99	653,125	477,034				100.00%
Non-Performing	BarUSA/\$15,300,000	221	11/24/03	15,300,000	544,617			0.07%	99.93%
Non-Performing	Bay Pompano Beach	407	6/20/05	16,285,686	20,413	0.47%	1.20%		98.33%
Non-Performing	Beastar, LLC ¹	84	5/2/05	3,125,000			5.93%		94.07%
Non-Performing	Beau Rivage Homes/\$8,000,000	157	1/2/03	432,349	202,076				99.38%
Performing	Binford Medical Developers	92	8/31/05	7,450,000	-		17.25%		82.75%
Performing	Boise/Gowen 93	17	8/26/05	2,425,000					100.00%
Performing	Brookmere/Matteson \$27,050,000	229	10/29/03	5,929,393			34.20%		65.80%
Performing	Bundy Canyon \$1,050,000	1	1/6/06	1,050,000	-				100.00%
Performing	Bundy Canyon \$2,500,000	34	5/2/05	2,300,000					100.00%
Performing	Bundy Canyon \$5,000,000	43	9/28/05	4,250,000				0.71%	99.29%
Non-Performing	Bundy Canyon \$5,725,000	53	1/14/05	5,725,000	60,282				100.00%
Performing	Bundy Canyon \$7,500,000	83	8/17/05	6,700,000					100.00%
Performing	Bundy Canyon \$8.9	117	4/5/06	8,900,000					100.00%
Performing	BySynergy, LLC \$4,434,446	3	2/3/06	4,434,446		51.48%	35.34%	13.18%	100.00%
Performing	Cabernet	65	2/17/05	3,000,000					100.00%
Non-Performing	Castaic Partners II, LLC	57	7/11/05	5,600,000	137,553		7.59%		92.41%
Performing	Castaic Partners III, LLC	65	9/22/05	4,675,000	-		0.53%	1.07%	98.40%
Performing	Charlevoix Homes, LLC	40	4/3/06	3,400,000					100.00%
Performing	Clear Creek Plantation	36	3/15/05	2,900,000	-		3.45%		96.55%
Performing	Cloudbreak LV	2	12/17/03	3,800,000	-		99.51%		0.00%
Non-Performing	Colt DIV added #1 ¹	1	Undetermined	1,500,000	736,776	100.00%			
Non-Performing	Colt DIV added #2 ¹	1	Undetermined	3,100,000	1,078,165	100.00%			
Non-Performing	Colt Gateway	3	1/17/03	3,514,069	3,220,735	42.53%			57.47%
Non-Performing	Colt Second TD	1	8/19/03	1,000,000	484,412			100.00%	
Performing	Columbia Managing Partners	1	9/1/05	2,210,000			100.00%		
Performing	ComVest Capital	56	1/11/06	4,125,000	-		17.82%		82.18%
Performing	Copper Sage Commerce Center Phase II	51	3/1/06	3,550,000	-			1.83%	98.17%
Non-Performing	Copper Sage Commerce Center, LLC	28	6/9/04	179,106	9,226				99.38%
Performing	Comman Toltec 160, LLC	96	6/24/05	6,375,000				0.08%	99.92%
Non-Performing	Cottonwood Hills, LLC	21	6/14/05	4,000,000	48,222		25.00%		75.00%
Non-Performing	CREC Building Colt ¹	1	Undetermined	3,718,777	1,650,349	100.00%			

* Preliminary Analysis as of 04/27/2006.

Prepare by MFIM, LLC

Exhibit A

<u>Performance</u> <u>Evaluation</u> <u>(4-27-06)*</u>	<u>Loan Name</u>	<u>No of</u> <u>Investors</u>	<u>Origination</u> <u>Date</u>	<u>Outstanding Loan</u> <u>Amount</u>	<u>Unpaid Interest</u> <u>as of 3/31/2006</u> <u>less April</u> <u>collections</u>	<u>DIF</u>	<u>CFI</u>	<u>CM</u>	<u>Total Held by</u> <u>Investors</u>
Performing	Del Valle - Livingston	239	8/25/05	19,250,000			0.67%		99.33%
Performing	Del Valle Isleton	76	3/22/05	6,520,000	-		2.90%		97.10%
Non-Performing	Eagle Meadows Development	295	10/19/05	31,050,000	9,019		11.76%		88.24%
Performing	Elizabeth May Real Estate	147	2/24/06	10,050,000			1.19%		98.81%
Non-Performing	EPIC Resorts ¹	1	Undetermined	18,915,000	undetermined	100.00%			
Non-Performing	Fiesta Development \$6.6	1	11/14/05	6,600,000					
Non-Performing	Fiesta Development McNaughton ¹	1	1/10/05	6,000,000	undetermined	100.00%		1.46%	98.54%
Performing	Fiesta Murrieta	69	4/14/05	6,500,000				0.05%	99.95%
Non-Performing	Fiesta Oak Valley	227	6/15/04	20,500,000	3,597,750				100.00%
Non-Performing	Fiesta USA/Stoneridge	100	9/22/03	10,000,000	2,376,004				100.00%
Performing	Fiesta/Beaumont \$2.4m	36	9/17/04	2,400,000	-				99.90%
Performing	Foxhill 216, LLC	300	2/23/06	25,980,000	-		0.10%		
Non-Performing	Franklin - Stratford Investments, LLC	2	3/30/05	5,225,000	17,873	19.33%	80.67%		0.00%
Non-Performing	Freeway 101 ¹	57	8/9/04	3,750,000	38,750				100.00%
Performing	Gateway Stone	161	11/18/05	13,185,000	-		0.76%		99.24%
Non-Performing	Glroy	59	11/23/04	4,950,000	309,031		5.56%		94.44%
Performing	Glendale Tower Partners	95	6/9/05	6,500,000	-		1.32%		98.68%
Non-Performing	Golden State Investments II	37	6/27/05	2,850,000	95,032		8.77%		91.23%
Performing	Goss Road	20	11/2/04	1,000,000				0.25%	99.75%
Non-Performing	Gramercy Court Condos	332	6/25/04	34,884,500	749,341		13.10%		86.90%
Non-Performing	Harbor Georgetown	103	8/16/04	8,800,000	333,402		5.80%		94.20%
Non-Performing	Hasley Canyon	114	3/3/04	11,700,000	1,287,450				100.00%
Performing	Hesperia II	65	4/1/05	4,250,000	-				100.00%
Non-Performing	HFA- Clear Lake	207	1/6/05	16,050,000	2,404,286	0.88%			98.81%
Non-Performing	HFA- North Yonkers	298	1/11/05	24,000,000	3,710,069		3.71%		96.08%
Non-Performing	HFA- Riviera 2nd	99	4/29/04	8,000,000	2,478,080				100.00%
Non-Performing	HFA- Windham	74	11/15/04	5,550,000	893,767				100.00%
Non-Performing	HFA-Clear Lake 2nd	36	6/24/05	2,750,000	347,275			0.29%	99.71%
Non-Performing	HFAH/Monaco	1	12/19/03	4,000,000	1,236,000		100.00%		
Non-Performing	Huntsville	116	3/31/04	10,475,000	813,061	5.96%	4.77%		89.27%
Performing	I-40 Gateway west	46	1/11/05	4,530,000					92.27%
Performing	I-40 Gateway West, LLC 2nd	23	3/1/06	1,065,000					100.00%
Non-Performing	Interstate Commerce Center Phase II	2	8/11/04	1,855,606	20,375	13.72%	86.28%		0.00%
Non-Performing	Interstate Commerce Center	4	2/20/04	2,391,355	114,357	98.72%		1.28%	0.00%
Performing	J. Jireh's Corporation	105	9/2/05	8,825,000			3.00%		97.00%
Performing	La Hacienda Estate, LLC	83	11/11/04	6,255,000				0.80%	99.20%
Non-Performing	Lake Helen Partners	35	12/7/04	3,129,499	38,953	7.26%	27.56%	0.90%	64.28%
Non-Performing	Lenn Hills	130	12/7/05	10,350,000	129,167				100.00%
Non-Performing	Margarita Annex	105	7/26/04	12,000,000	255,667		25.67%		74.33%

* Preliminary Analysis as of 04/27/2006.

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Exhibit A

Performance Evaluation (4-27-06)*	Loan Name	No of Investors	Origination Date	Outstanding Loan Amount	Unpaid Interest as of 3/31/2006 less April collections	DTF	CFI	CM	Total Held by Investors
Non-Performing	Marlon Square	272	8/11/05	30,000,000	975,000		0.39%	0.89%	98.71%
Non-Performing	Marlon Square 2nd	108	8/11/05	6,000,000	204,000				100.00%
Non-Performing	Marquis Hotel	169	3/29/05	13,500,000	2,515,500			0.71%	99.29%
Performing	Meadow Creek Partners, LLC	103	2/23/06	8,250,000			0.87%		99.13%
Non-Performing	Midvale Marketplace, LLC	49	6/30/05	4,075,000	205,298		7.61%		92.39%
Performing	Mountain House Business Park	202	6/10/04	16,800,000		0.30%	5.21%	0.17%	94.33%
Non-Performing	Oak Shores II	176	6/6/05	12,150,000	132,907	0.07%	1.49%		98.44%
Performing	Ocean Atlantic	32	11/1/05	2,700,000					100.00%
Performing	Ocean Atlantic \$9,425,000	105	1/23/06	8,925,000			14.61%		85.39%
Non-Performing	Opaque/Mt. Edge \$7,350,000	95	11/5/03	4,827,970	813,163				100.00%
Non-Performing	Palm Harbor One	309	12/14/05	28,480,000	14,723		5.60%		94.40%
Non-Performing	Placer Vineyards	343	12/10/04	31,500,000	1,567,682				100.00%
Non-Performing	Placer Vineyards 2nd	118	12/10/04	6,500,000	349,556				100.00%
Performing	Preserve at Galleria, LLC	73	10/6/05	4,393,250			0.11%		99.89%
Non-Performing	Redwood Properties \$269,641 ¹	1	11/15/05	269,641	undetermined				100.00%
Performing	Rio Rancho Executive Plaza, LLC	32	1/17/06	2,250,000			3.11%		96.89%
	Riviera - Homes for America Holdings, L.L.C.								
Non-Performing	Roam Development Group	90	6/24/05	5,000,000	637,500				100.00%
Non-Performing	Saddleback ¹	291	3/23/05	26,251,945	173,806		2.37%		97.63%
Non-Performing	Shamrock Tower, LP	1	Undetermined	375,000	9,849			100.00%	0.00%
Non-Performing	Sheraton Hotel ¹	87	8/5/04	10,500,000	1,590,927		31.43%		68.57%
Performing	Slade Development	1	Undetermined	6,845,000	896,084	100.02%			-0.02%
Performing	Southern California Land 2nd	40	12/5/05	3,525,000				1.42%	98.58%
Performing	Standard Property Development	33	8/3/05	2,800,000				1.25%	98.75%
Performing	SVRB \$4,500,000	115	2/27/06	9,640,000			6.96%		93.04%
Performing	SVRB 2nd \$2,325,000	67	4/27/05	1,424,082					100.00%
Non-Performing	Tapia Ranch	25	4/27/05	2,325,000					90.32%
Non-Performing	Ten-Ninety, Ltd./\$4,150,000	179	9/28/04	22,000,000	595,433		1.43%		98.57%
Non-Performing	Ten-Ninety ¹	18	12/30/02	4,150,000	1,775,764	20.48%			79.52%
Performing	The Gardens Phase II	1	Undetermined	55,113,781	undetermined	100.00%			
Performing	The Gardens, LLC \$2,425,000	1	3/31/06	2,500,000			100.00%		
Non-Performing	The Gardens, LLC Timeshare	34	8/15/05	1,961,000			1.52%	4.01%	94.47%
Non-Performing	Universal Hawaii ¹	51	3/24/04	5,300,000	250,458	5.43%	31.03%		63.53%
Non-Performing	Urbanity Estates	127	8/6/04	5,166,413	undetermined				100.00%
Non-Performing	Urban Housing Alliance - 435 Loftis	1	4/11/05	3,835,400	1,763		100.00%		
Performing	Wasco Investments	110	7/13/05	8,150,000			0.37%	0.40%	99.23%
Non-Performing		86	11/23/04	6,450,000	407,535		3.02%		96.98%
		10,546		\$962,064,768	\$49,068,852				

¹ Status of these loans is undetermined due to bankruptcy, foreclosures, change of ownership, etc. More research is being performed.

* Preliminary Analysis as of 04/27/2006.

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